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ABSTRACT OF THE DISCLOSURE

A steering tool for extended-reach directional drilling in three dimensions comprises a mud pulse telemetry section, a rotary section, and a flex section assembled as an integrated system in series along the length of the tool. section comprises a flexible drive shaft and a deflection actuator for applying hydraulic pressure along the length of the shaft for bending the shaft when making inclination angle adjustments during steering. The rotary section comprises a rotator housing coupled to the deflection housing for rotating the deflection housing for making azimuth angle adjustments during steering. The onboard mud pulse telemetry section inclination and azimuth angle steering commands receives together with actual inclination and azimuth angle feedback signals during steering for use in controlling operation of the flex section and rotary section for steering the tool along a desired course. The steering tool can change inclination and azimuth angles either simultaneously or incrementally while rotary drilling.

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